

# The Director of Central Intelligence Washington, D.C. 20505

National Intelligence Council

19 August 1987

MEMORANDUM FOR:

Director of Central Intelligence

Deputy Director of Central Intelligence

FROM:

John J. Bird

National Intelligence Officer for Warning

SUBJECT:

Monthly Warning Reports for July 1987

1. Summary of Key Warning Issues:

#### Iran/Kuwait/US

Tehran may attempt some dramatic act in hopes of galvanizing opinion against the reflagging program. The Iranians still believe that US and Kuwaiti resolve can be broken. There is no indication, however, that Iran is looking for more hostages.

#### Haiti

Continuing demonstrations and violent unrest are almost certain and elections may not be held on schedule. Leftist extremists seem intent on forcing a confrontation with the government, looking to derail the electoral process and provoke a right-wing reaction. Rightist plotting will also persist and there are indications that the military is making plans for a return to power.

This review reflects consideration of inputs generated at warning meetings conducted by the National Intelligence Officers with community representatives from all areas. As such, it represents a community-wide review, but it is not a formally coordinated community product.

	25X1
	25X1
	_

25X1

## East Germany/West Germany/USSR

The Soviets may use the 7-11 September visit of East German party leader Honecker to West Germany as bait for West German concessions on arms control issues, particularly the Pershing IAs. The announcement of Honecker's trip is a dramatic new development. Moscow scuttled a similar 1984 visit at the last minute and has held rescheduling in abeyance since. Always worried when Germans get together, the Soviets seem to have decided to satisfy Bonn's litmus test for improved relations with the USSR -- closer intra-German ties. The trip entails risks for the Soviets, however, including a strengthened and more independent Honecker and revival of the "German Question". Such concerns could yet threaten the trip if West German concessions appear unlikely. Gorbachev probably dropped some none too subtle hints to that effect during the recent visit of President von Weizaecker to Moscow.

#### <u>Uganda</u>

Uganda's security situation, economy, and relations with Kenya are deteriorating and the Kenyans may begin to provide military assistance to the insurgents. The latest economic reforms and recent borrowings probably will give the economy a short-term stimulus, but they are unlikely to lead to long-term improvement. Fighting in the North and East will increase in coming months but not affect the capital. Any new economic reforms are likely to be too little, too late, and circumvented by corrupt officials. Ugandan dealings with Libya and several Soviet Bloc states, particularly in military areas, will continue to irritate Kenyan President Moi.

#### 2. Trend Commentary:

## France/West Germany

There has been new movement toward Franco-German defense cooperation that may reflect a growing West German belief that the US commitment is eroding and that Bonn must begin looking elsewhere for its security guarantee. The French, also concerned about a possible weakening of US security guarantees and an eastward drift of West Germany, have strengthened verbally their commitment to the conventional defense of West Germany and offered to consult with Bonn on French nuclear doctrine. Although some disagreements continue, recent developments include the signing of a helicopter coproduction pact, negotiations toward creation of a Franco-German brigade, and joint exercises planned for this fall at a site east of Munich -- farther forward than French troops have gone since the 1960s.

#### USSR/Southeastern Africa

The Soviets recently have become more entrepreneurial and opportunistic in southeastern Africa. The Intelligence Community believes that the Soviets want to exploit US weaknesses and "cause Washington pain" but not pose a major new challenge to the United States. Moscow is using new openings to sell arms to

the Africans and gain influence with them. The USSR and Tanzania signed a \$200 million weapons deal last November. In addition, Zimbabwean President Mugabe seems committed to concluding an arms deal with Moscow involving MIG-23 or possibly MIG-29 aircraft. Moscow probably aims to ensure it plays a major role in a future settlement in South Africa.

#### Nicaragua

Wet weather has had only a slight impact on rebel aerial resupply operations, but the limited number of insurgent aircraft leaves the system vulnerable to breakdowns. There apparently has been little improvement in maritime and overland resupply because air operations have been adequate. Meanwhile, both the rebels and the Sandinistas are improving air defense capabilities. Managua's efforts eventually could increase the risk to rebel aircraft. In coming months, the Intelligence Community expects the level of fighting to remain at about current levels, although more attacks on Sandinista military targets are likely.

## South Korea

In the wake of the events of 29 June, the Intelligence Community believes that the prospects for democracy in South Korea are brighter, but there is considerable uncertainty about how and when the South Koreans will achieve their goal. Although still uncomfortable with the concept of compromise, ruling party and opposition figures alike find themselves in the midst of negotiations which will require much give and take to succeed. Add in the various volatile personalities involved, radical university students, a booming economy, and the ever present threat of North Korea, and our uncertainties in predicting the future course of events are magnified.

## Dominican Republic

The potential for further unrest -- prompted at least in part by the left -- will remain high but currently poses no threat to the stability of the government. Despite recently increased unrest, sparked by demands for land reform and increased social services, President Balaguer's popularity remains high and he is confident he can control demonstrations. Over the longer term, however, the left is likely to gain a greater political role and leftist leader Juan Bosch may become the leading contender to succeed Balaguer.

## Colombia

New marijuana cultivation near
This disquieting development undercuts earlier optimism about
Colombia's marijuana eradication program.

25X1 25X1

SECRET

## Terrorism: Colonel Hawari Apparatus

The Hawari organization remains a serious threat and has not been permanently impaired by Hawari's reported expulsion from Iraq. Although no incidents attributable to the Hawari apparatus have been detected this year, it reportedly maintains an infrastructure in Europe and is moving weapons and explosives to Portugal and Greece.

25X1

#### India

Prime Minister Gandhi is in trouble. The Intelligence Community generally agrees that he would not win if an election were held today. However, there is consensus that he still has time to turn his political fortunes before the scheduled 1989 election.

3. NIO/Warning notes these additional areas of warning concern:

## Iran/Saudi Arabia/Persian Gulf

Following the recent violence in Mecca and Iranian threats against Saudi Arabia, prospects for a military showdown between the two countries seem to be increasing. Should Iran choose military action against Saudi Arabia, it almost certainly would soon involve the US in subsequent actions.

## India/Sri Lanka

India's deployment of most or all of an infantry division into northern and eastern Sri Lanka is emerging as a possibly predatory move against a smaller neighbor, belying earlier assurances of nonintervention. It is not yet clear how far Prime Minister Gandhi intends to go in seizing power in Sri Lanka, but his commitment to the effort continues to grow. Should Jayewardene be assassinated, Gandhi almost certainly would move on Colombo.

## Iran/Islamic States

The chances of violence in early September in countries with large Shia Muslim minorities are abnormally great. The traditional time of strife between Sunni and Shia during the festival of Muharram (26 August to 6 September) is nearly coincident with the 40-day memorial (9 September) of the martyrdom of the Iranian "pilgrims" killed at Mecca. Lebanon, Pakistan, Saudi Arabia, and Persian Gulf states are especially vulnerable to violence at this time.

#### Brazil

Increased economic problems could lead to broad based protests, providing a pretext for military intervention. The next few months will be critical as Congress debates the constitution and considers reinstatement of cashiered

4

25X1 25X1

#### Tunisia

Bourguiba's campaign to suppress all political opposition is escalating with crackdowns on Islamic fundamentalists. Far from ensuring smooth succession, however, the regime's efforts are drastically increasing discontent and ensuring chaos, uncertainty and confusion when the succession crisis comes. The Libyan threat almost certainly will increase in the post-Bourguiba period, and Algeria too seems poised to influence the succession struggle.

#### Panama

Stiffened by recent successful massive protests, opposition efforts to unify and force Noriega's resignation appear increasingly successful. Noriega under siege will continue his demagogic campaign against the US, crack down roughly on the opposition, and if necessary, install a military junta. As the crisis evolves, there will be an ever increasing risk that Noriega will target more sensitive US interests in Panama for subversion.

## <u>Ango 1 a</u>

The risk of direct South African-Cuban clashes appears to be growing, as the Angolan government continues its measured two-front offensive against UNITA positions in southeast Angola. Should the South Africans view UNITA as being seriously threatened and intervene in the conflict, Cuban contingency plans call for retaliatory airstrikes against South African airbases in Namibia, thus increasing the chances for escalation.

## Sudan/Ethiopia

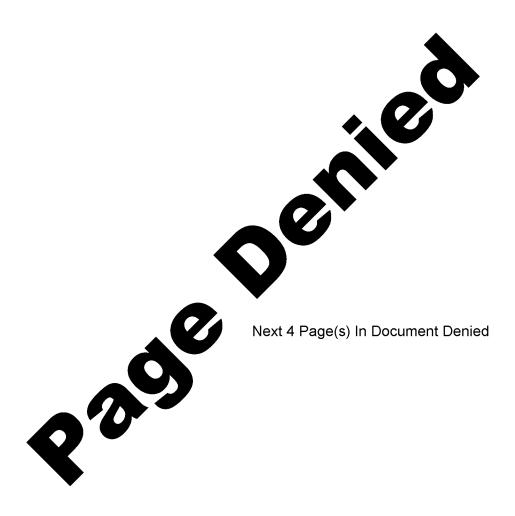
Prime Minister Sadiq faces increasing challenges to his authority as the economy worsens and the military stalemate with the southern insurgency continues. These developments, plus further reductions in US aid and a cutoff of US security assistance—as required by the Brooke Amendment—will encourage senior military officers to overthrow the civilian government.

## Iran/Iraq

Political stakes in the war are high. The potential for sudden collapse of either government is out of proportion to actual or likely military results. Military and civilian opposition to Husayn continues. Meanwhile, in Iran, Khomeini seems to have lost some control over the power struggle among his successors, and his death could lead to major instability within the post-Khomeini government.

SECRET

25X1



14 August 1987

25X1

## SUBJECT: Monthly Warning and Forecast Meetings for July 1987

Cy 1 - * Cy 2 - * Cy 3 - * Cy 4 - * Cy 5 - Cy 6 -	DCI DDCI Executive Director Executive Registry DDI Senior Review Panel	7D60 HQ 7D60 HQ 7D55 HQ 7E12 HQ 7E44 HQ 7B42 HQ	
Cy 7 - Cy 8 - Cy 9 - Cy 10 - Cy 11 - Cy 12 - Cy 13 - Cy 14 - Cy 15 - Cy 16 - Cy 17 - Cy 18 - Cy 19 - Cy 20 - Cy 21 -	NIC/AG NIO/AF NIO/AL (MGen Einsel) NIO/CT NIO/EA NIO/E NIO/EUR NIO/FUIA NIO/GPF NIO/LA NIO/N NIO/N NIO/NESA NIO/S&T NIO/SP NIO/USSR	7B07 HQ 7E48 HQ 7B42 HQ 6F21 HQ 7E62 HQ 7E62 HQ 7E62 HQ 7E62 HQ 7B27 HQ 2E49 HQ 7E62 HQ	
Cy 22 - Cy 23 - Cy 24 - Cy 25 - Cy 26 - Cy 27 - Cy 28 - Cy 29 - Cy 30 - Cy 31 - Cy 32 -	D/CPAS D/OIR D/LDA D/SOVA D/EURA D/ALA D/OIA D/NESA D/OEA D/OG I D/OSWR	7F16 HQ 2E60 HQ 1H19 HQ 4E58 HQ 6G42 HQ 3F45 HO 2G11 HQ 4F18 HQ 3G00 HQ 5F46 HQ	25X1
Cy 33 - Cy 34 - Cy 35 -	DI/IPC DI/CRES/IRC/SEG DDI Rep	2F21 HQ 3E58 HQ 7B02 HQ	25X1

\* w/att

25X

